

February 4, 2005

Mr. Donald Abelson  
Chief, International Bureau  
Federal Communications Commission  
445 Twelfth St., SW  
Washington, DC 20554

**RECEIVED**

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Federal Communications Commission  
Office of the Secretary

Re: Service Disruption in Nicaragua

Dear Don,

As you know, AT&T, MCI, and Sprint's mobile traffic destined to Nicaragua has been blocked since early December. We write to provide some details on the current situation and seek your assistance with the regulator Telcor to help resolve the current impasse.


Enitel, the incumbent in Nicaragua and sole international correspondent, has been attempting to leverage its dominant marketplace position and increase U.S. settlement payments for some time. In the May, 2003 timeframe, despite existing rate agreements, Enitel unilaterally announced that a surcharge of \$.1216/minute must be applied to all mobile calls terminating in Nicaragua effective July 1, 2003, citing an agreement reached between Enitel and the Nicaraguan mobile operators. This additional charge would have effectively doubled the total termination rate for mobile traffic to over \$.24/minute. At this time, ENITEL also threatened U.S. carriers with service disruption if the surcharge was not accepted.

In March, 2004, Enitel reiterated its demands for the \$.1216 surcharge for mobile calls and again threatened to block traffic. In November, 2004, Enitel indicated that the \$.1216/minute surcharge now applied to both mobile and fixed calls, and that the charge was retroactive back to March, 2004. On November 30, Enitel backed off its demands for the charge on fixed calls, but also indicated that if U.S. carriers did not agree to a new, yet still excessive, charge for mobile calls by December 7<sup>th</sup>, mobile calls would be blocked. On 12:01am on the 7<sup>th</sup>, AT&T's calls to mobile phones in Nicaragua were blocked. MCI and Sprint's traffic was blocked shortly thereafter, and mobile traffic continues to remain blocked to this date.

Significant intervention by the U.S. government has unfortunately not resulted in unblocking mobile calls. These contacts include a dialogue between U.S. Ambassador Barbara Moore to the Nicaraguan Office of the Presidency, U.S. embassy discussions with the government of Nicaragua, State Department contacts with the Nicaraguan embassy in Washington, and USTR discussions with appropriate Nicaraguan trade officials.

Thank you for considering taking this important step, and we would be happy to provide any further information.

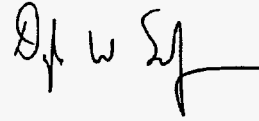
Sincerely,



Sasha Field  
Director, International Affairs  
Law and Public Policy  
MCI Corporation



David Nall  
General Attorney  
Sprint Corporation



Douglas Schoenberger  
Director  
International Government Affairs  
AT&T Corporation

Copy to:

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John Muleta (Wireless Telecommunications Bureau)